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The Improvement of Entrepreneurship Education Management in Latvia

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Abstract

The purpose of this study is to create and evaluate a theoretical framework for entrepreneurship education management, and on the basis of this, to work out propositions for the development of entrepreneurship education management. In the first part of the paper there is a historic overview and analysis of the changes that have taken place in the entrepreneur's role and functions over time until the present day, the essence of entrepreneurship education is examined, and a theoretical framework for entrepreneurship education management is elaborated. This is evaluated in the second part of the paper, using the expert panel method and the SWOT method. The results of the research indicate that implementation of the created theoretical entrepreneurship education framework demands a review of subject standards and an increased understanding of entrepreneurship education by teachers and school management, as well as the necessity of managerial, financial and legal support.

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1. Introduction

2.

Modern day challenges to the entrepreneur and the paradigm shift in education are essentially changing also the curriculum of entrepreneurship education. Nowadays it has a much wider significance, as it includes not only acquiring theoretical knowledge, but it also aims at fostering creativity, innovation and self-employment. (EK, 2012) In addition to knowledge, an opportunity should be given to young people for developing new skills and competences. These skills should be developed in a person from childhood by implementing various entrepreneurship education programmes at all levels of education, and through lifelong learning. The task of

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entrepreneurship education is not only building new businesses, but most important of all is the development of entrepreneurial competencies that would help young people to be creative and to act in a socially responsible way in any life situation. Therefore, nowadays the role of the education system and policy makers in the training of the younger generation for entrepreneurship has increased significantly as “an efficient mechanism for increasing entrepreneurial activity...” (Martinez et al., 2010) The OECD (2011) report on skills for innovation and research suggests that government policy needs to pay more attention to skill development and the flexibility of those in academic careers. The OECD report also argues that entrepreneurial skills and capabilities are an essential element for an innovative system, but acknowledges that there is no strong evidence that correlates entrepreneurship education with any subsequent performance.

In order to address the issues of entrepreneurship education and its management, it is important to maintain an effective government management policy. In terms of implementing entrepreneurship in education at all levels in the local community, the government can promote entrepreneurship education by developing a strategy that will target educational institutions, by helping local businesses to adapt to the curriculum and by supporting the development of programmes.

The most important problem of entrepreneurship education in Latvia is insufficient government policy commitment; a unified strategy has not been developed for entrepreneurship education management. (EC, 2012) Without adopting such an approach, one cannot expect the formation of new companies, the commercialization of scientific results, innovation and technology transfer.

The purpose of the study is to create and evaluate a theoretical framework for entrepreneurship education management, and on the basis of this to work out propositions for the elaboration of entrepreneurship education management.

Nowadays the essence and the theoretical explanations of the contents of the concepts entrepreneur, entrepreneurial skills and entrepreneurship education are undergoing change, assigning to them a much broader meaning in the context of developing entrepreneurial competences in the education system. This makes us look for answers to the questions of how to explain these notions from a theoretical point of view, and how entrepreneurship education management should be implemented.

3. 2. The entrepreneur's new role and entrepreneurship education

The objectives and content of entrepreneurship education change in correlation with the entrepreneur's role in society. Consequently an understanding of the essence of entrepreneurship education management should start with clarifying the concept of entrepreneur, showing its relationship to the concepts of entrepreneurial ability and entrepreneurial competence.

Until the second half of the 19th century the concept entrepreneur was associated with risk-taking and the employment of the factors of production, but since the end of the 19th century and in the 20th century this concept has been understood in a greatly broader sense - an entrepreneur is a business manager with special abilities (Marshall, 1953); a creative personality and an initiator of innovation (Schumpeter, 1983); the driving force of production, who takes the initiative and receives profit or loss for the used time, involved efforts and entrepreneurial ability (McConnell and Brue, 1999).

Historically the concept of entrepreneur has essentially grown, and alongside the development of this concept we observe how the concept of entrepreneurial ability has been defined and developed. According to Marshall, such ability initially was an individual's special ability to run a business, which was either inherited or had been taken over from his (or her) parents. From the second half of the 20th century onwards, economic theory mentions a fourth factor of production: the entrepreneur with advanced entrepreneurial ability.

Up to end of the 20th century an economic approach to human capital had the dominant role, accordingly the functions of an entrepreneur and the development of his ability were associated with satisfying market requirements. The role of the entrepreneur was related to the performance of an economic function in order to ensure successful activity of the enterprise, and to satisfy market demand. The manager's role was highlighted as the most important from among the various roles of an entrepreneur.

But at the end of the 20th century, information technologies were rapidly developing and the production structure was changing. There was an ever-growing demand for different types of services, and the proportion of

small and medium-sized enterprises increased. This brought about also a change in the entrepreneur's role in the economy. The ability to build a new enterprise became the most significant feature of the entrepreneur. Representatives from various sciences are engaged in studying the role and functions of the entrepreneur.

When explaining the concept of the entrepreneur at the end of the 20th century and the beginning of the 21st century, scientists emphasize the entrepreneur's ability to develop a new enterprise. Studies show that modern entrepreneurs themselves form and run their own company, and at the same time they also work in this company. The founder and owner (entrepreneur) of a small or medium-sized enterprise and its manager most often is one and the same person. "A successful entrepreneur is a leader and something more." (Misra&Kumar, 2000). Therefore, nowadays the concept of entrepreneur is explained in a much wider socio-economic sense, along with professional training providing the development of the human personality as a whole and the development of competencies, including entrepreneurial competencies. (See more: Bikse, Riemere., 2013)

Consequently, until the second half of the 20th century entrepreneurship education was aimed at giving individuals the necessary skills and knowledge to enable them to manage an existing business. Later, with the change in the role of the entrepreneur and the growing number of small and medium-sized enterprises, the content of entrepreneurship education had to keep expanding. Entrepreneurship education is doing little more than providing an alternative approach to business education, and entrepreneurship education belongs anywhere except business school. (Hindle, 2007) Therefore "the purpose behind entrepreneurship education generally follows the 'for', 'through' and 'about' approaches varying across the spectrum of preparing an individual to start, own and manage a business, providing generic life and work skills and introducing students to the world of commerce and industry." (O'Connor, 2013).

4. 3. A theoretical framework for entrepreneurship education management

Entrepreneurship education is a complex set of measures that affects all levels of education (including teacher training), all subjects and all parties involved in education – the creators of educational policy, educational administration, school administrations, teachers, students, the neighbouring communities and so on. This implies the necessity to organize the management of this process.

After analysing the developed entrepreneurship education frameworks as described in scientific literature (Educating the next Wave of Entrepreneurs, 2009; Bikse, 2011; EK, 1012; Heinonon Poikkijoki, 2012; O'Connor, 2013), as well as the differences between traditional and entrepreneurial approaches to management (Kao, 2002), and on the basis of the conclusions of the analysis and taking into account the objective circumstances of the modern education requirements, the authors have developed an entrepreneurship education management theoretical framework which is based on the following principles:

- 1) Entrepreneurship education is viewed as a complex set of measures which include the formation of a national strategic plan, the creation of entrepreneurship education content, teacher training, the development of teaching aids and organization of the contemporary learning process;

- 2) Entrepreneurship education elements are integrated at all levels of education and into all subjects; it is carried out according to the principle of consecutiveness and is available to every student;

- 3) Entrepreneurship education ensures the development of students' entrepreneurial competences.

The created theoretical framework of entrepreneurship education management envisages the development of students' entrepreneurial competences in primary and general secondary education. It includes the elements involved in implementing entrepreneurship education and its management, the characteristics of each element's role and the interaction between the elements. The framework of entrepreneurship education management created by the authors is given in Figure 1.

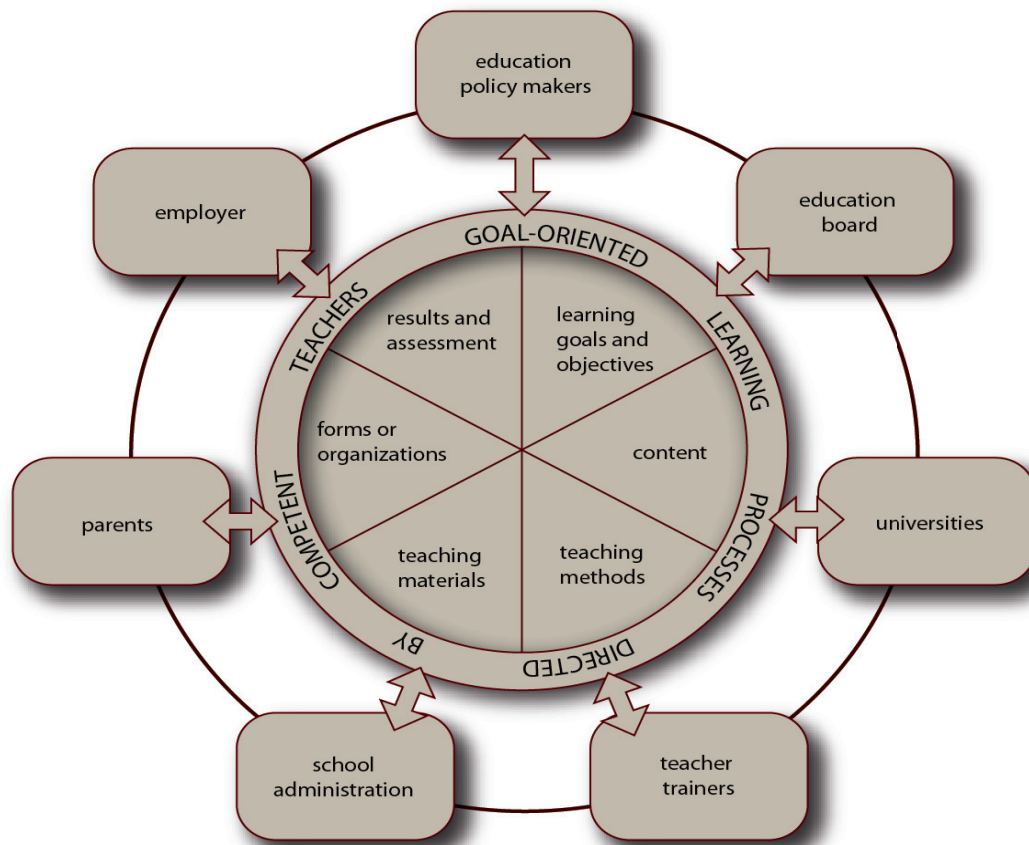


Figure 1. The framework of entrepreneurship education management.
Source. The authors (Bikse, Riemere, Rivza)

The theoretical framework of entrepreneurship education management has been created in accordance with the characteristics of modern entrepreneurship education. In its focus is the learning process, which consists of several components: learning goals and objectives, the curriculum, teaching methods, teaching aids, teaching organization forms, learning results and their evaluation.

A competent teacher purposefully runs this learning process. The outer circle of the frame consists of a number of other entrepreneurship education elements. These are important from two aspects: on the one hand, they affect the entrepreneurship education curriculum and its quality outwardly, but on the other hand, they participate in the process of implementing entrepreneurship education internally.

The created theoretical framework of entrepreneurship education management envisages entrepreneurship education planning and coordination at four levels – national, regional, local authority and school level (figure 2).

The theoretical framework for management of entrepreneurship education created by the authors envisages the integration of entrepreneurship education elements into the already existing disciplines. Accordingly, there is no need to plan individual lessons for entrepreneurship education; on the contrary – by jointly reviewing the curriculum content, it is possible to prevent overlapping, thus even reducing the number of hours required for covering the curriculum.

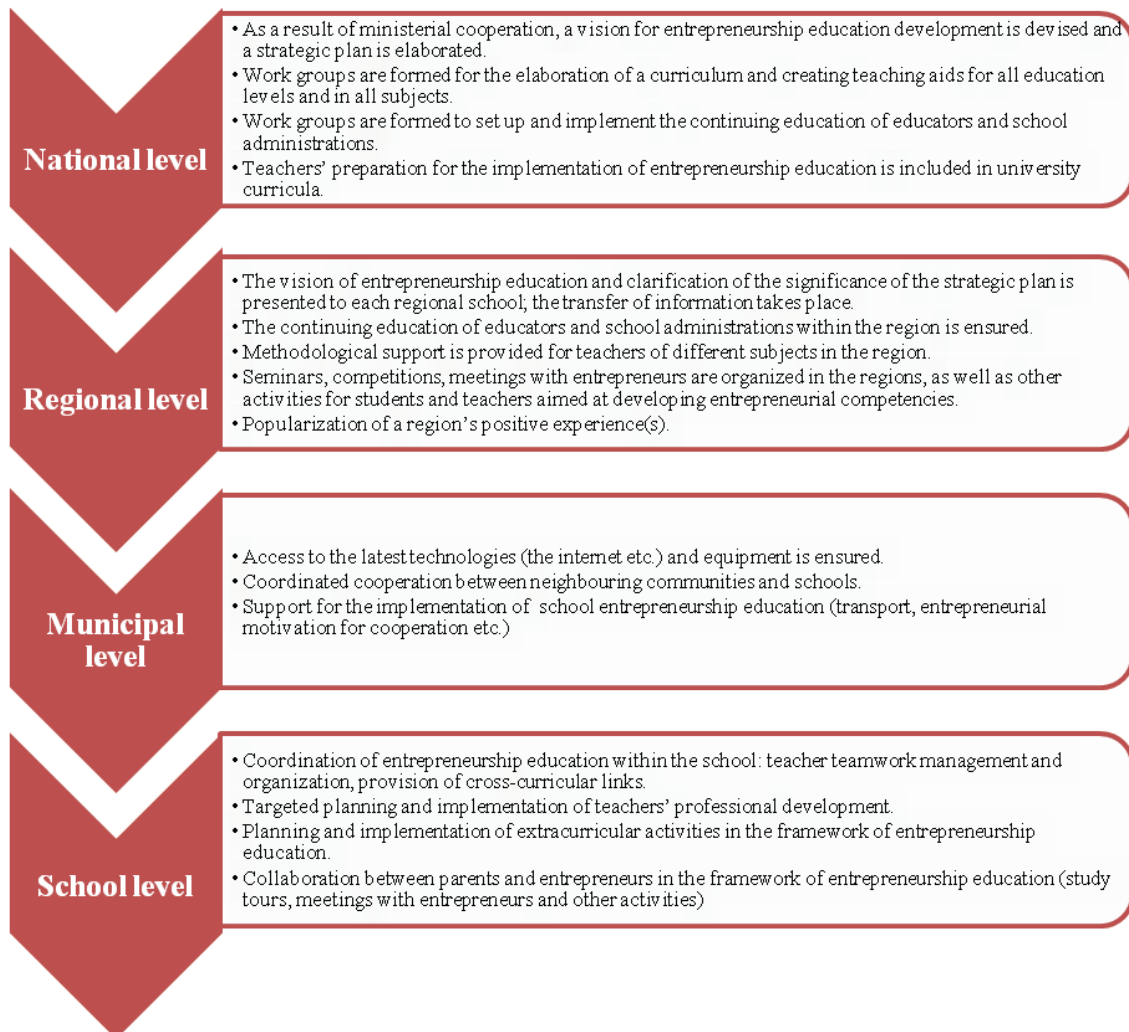


Figure 2. Entrepreneurship education planning and coordination levels.
Source: The authors (Bikse, Riemere, Rivža)

5. 4. Evaluation of the entrepreneurship education management framework and its improvement trends

a. 4.1. Research methodology

The theoretical framework of entrepreneurship education management elaborated in the present study was evaluated using the expert panel method, i.e. the SWOT (strengths, weaknesses, opportunities and threats) method.

The experts received by e-mail a questionnaire, a description of the entrepreneurship education management theoretical framework and a worksheet containing information about the evaluation system, as well as a request for comments which, after due analysis, could then be used by the authors for improvement of the theoretical framework of entrepreneurship education management. Experts evaluated the theoretical framework on a six-point scale in relation to the six criteria as follows:

1. The theoretical framework of entrepreneurship education management corresponds to the priorities of Latvian education system and state education policy.

2. The theoretical framework of entrepreneurship education management is needed to ensure the development of entrepreneurial competency for Latvian primary and secondary education students, which is one of the eight key competencies in this field.
3. The structure of the theoretical framework for entrepreneurship education management is optimal for ensuring the provision of entrepreneurship education.
4. The planning and coordination at various levels as envisaged in the theoretical framework of entrepreneurship education management is indispensable.
5. All components of the entrepreneurship education management theoretical framework are essential and indispensable.
6. In the theoretical framework of entrepreneurship education management, the integration of entrepreneurship education elements into all subjects is indispensable.

Experts sent the authors of the work their reviews, comments and objections on the worksheet table.

b.

c. *4. 2. Research findings*

For an evaluation of the theoretical framework for entrepreneurship education management in accordance with the authors' criteria as set out above, the experts used a six-point rating scale, where 6 points – fully satisfactory; 5 points – satisfactory, with slight objections; 4 points – satisfactory, with objections; 3 points – there are many serious objections, but generally satisfactory; 2 points – unsatisfactory, due to essential objections; 1 point – fully unsatisfactory.

According to expert assessment, the theoretical framework for entrepreneurship education management created by the authors has, on the whole, been highly rated. The total score of the assessment framework was from 77.7% to 97.2% of the maximum possible. The highest score, i.e. 6 points (fully satisfactory), was awarded in 16 cases out of 30, which constitutes more than half of all assessments. A score of 5 points (satisfactory, with slight objections) was given 10 times, whereas a score of 4 points (satisfactory, with objections) was shown in 4 cases. The scores of 3 points (there are many serious objections, but generally satisfactory), 2 points (unsatisfactory, due to essential objections), and 1 point (fully unsatisfactory) did not feature in the experts' assessment.

d. *4.3. SWOT analysis*

In order to assess the entrepreneurship education management theoretical framework and the strengths, weaknesses, opportunities and threats of its feasibility, and the analysis of Norwegian and Lithuanian entrepreneurship education management experience, the authors carried out a SWOT analysis based on expert ratings and on the authors' research.

The most important strengths for implementing the theoretical framework of entrepreneurship education management were: the entrepreneurship education guidelines implemented in accordance with the established framework are consistent with the Latvian education system and the paradigm shift in education. In addition, entrepreneurship education, which corresponds to the model, gives students an opportunity to develop entrepreneurial competencies without increasing their workload.

As examples of weaknesses we can mention the necessity of managerial, financial and legal support, and an insufficient understanding of entrepreneurship education by teachers and school management. Analyzing the options for implementing the created theoretical framework, the authors emphasize that the anticipated review of subject standards will enable the introduction of key competency elements into the curricular content.

The greatest threat to the introduction of a theoretical framework for entrepreneurship education management is the following circumstance: Latvian education planning documents do not contain an elaborated strategic plan for the implementation of entrepreneurship education.

According to the assessment by experts, the theoretical framework structure of entrepreneurship management education is optimal, and it provides for multi-level planning and coordination, at four levels: state, regional, municipal and school administration level.

Experts point out that for implementation of the created theoretical framework of entrepreneurship education management, appropriate legal and financial support is required.

6.

7. 5. Conclusions and Suggestions

The findings of the research allow the authors to draw the conclusion that entrepreneurship education is a complex set of measures that affects all levels of education (including teacher training), all subjects, and all parties involved in education: education policymakers, education administration, school administrations, teachers, students, the neighbouring communities and so on. This implies a need for management of this process.

The theoretical framework of entrepreneurship education management created by the authors includes the elaboration of a national strategic plan, the preparation of teachers, the creation of a curriculum, and the creation of teaching aids and a modern organization of the study process. Such a framework builds up a theoretical basis for the analysis of each management framework element, and for an evaluation of their impact on the development of students' entrepreneurial competencies.

The expert assessment of the theoretical framework of entrepreneurship education management and the SWOT analysis show that the proposed theoretical framework for entrepreneurship education management complies with the priorities of the Latvian education system and the state education policy; it is vitally important to ensure the development of entrepreneurial competences for Latvian elementary and secondary education students.

The results of the research indicate that using the created theoretical framework of entrepreneurship education and the implementation of proposals made for its solution will contribute to a targeted entrepreneurship education management in Latvia, in the context of developing students' entrepreneurial competencies.

As a result of research conducted, the authors have concluded that targeted entrepreneurship education management, which could encourage the development of students' entrepreneurial competences, is not being carried out in Latvia. To improve this situation, the authors have elaborated suggestions for education policy makers, the Ministry of Education and Science, education authorities, universities, municipalities, school management and entrepreneurs which are aimed at perfecting the management of entrepreneurship education in Latvia. The authors recommend using the theoretical framework of entrepreneurship education management as the theoretical basis for developing and implementing a national strategic plan of entrepreneurship education, and for developing a detailed list that will specify the functions and responsibilities of each element of the entrepreneurship education management theoretical framework.

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